



1           (4) Vermont’s school budgeting process asks school districts and  
2           property taxpayers to weigh operating expenditures against capital  
3           expenditures within the same budgetary constraints. So long as both costs are  
4           borne by the property tax, school districts are disincentivized from taking on  
5           school construction projects, and certain communities in Vermont may  
6           struggle to support even necessary school construction expenditures.

7           (5) The foundation formula created in 2025 Acts and Resolves No. 73  
8           did not provide funding for additional capital investment in school facilities.  
9           Unless additional revenue sources are utilized or an alternative financing  
10          model is identified, new school construction projects will continue to be  
11          funded from the Education Fund and will continue to apply pressure to  
12          property taxpayers across Vermont.

13          (b) It is the intent of the General Assembly to:

14           (1) create greater scale, increase the efficiency of the delivery of  
15           education services, and encourage the efficient use of funds by prioritizing  
16           school construction projects that align with the creation of the new school  
17           governance structures expressed in this act;

18           (2) address inequities in education funding across the State and remove  
19           disincentives to the construction of necessary and educationally appropriate  
20           school facilities by offering State aid in the form or forms best suited to a  
21           school district’s local context and needs;

1           (3) recognize the urgency and opportunity offered by Vermont’s  
2           education transformation as expressed in this act and 2025 Acts and Resolves  
3           No. 73 by identifying alternative models for funding school construction;

4           (4) in the short term, catalyze the State Aid for School Construction  
5           Program by providing State aid in the form of up to an additional  
6           \$50,000,000.00 annually in State bonding capacity to support the construction  
7           or renovation of school facilities that support the consolidation of school  
8           governance structures and improve access to educational opportunities for  
9           public school students;

10           (5) in the long term, provide State aid in the form of a debt service  
11           subsidy to school districts pursuing school construction projects that align with  
12           the goals of the State Aid for School Construction Program;

13           (6) throughout Vermont’s education transformation, provide State aid  
14           through multiple funding streams until the burden on property taxpayers  
15           imposed by school construction expenditures can be reduced; and

16           (7) leverage the capacities of the Vermont Bond Bank to simplify bond  
17           issuances for school districts, increase financing opportunities, and protect the  
18           State’s credit rating.

19           Sec. 66. AGENCY OF EDUCATION; SCHOOL CONSTRUCTION

20                           DIVISION; POSITIONS; **APPROPRIATION**

1 (a) Establishment of the following new limited service classified positions  
2 is authorized in the Agency of Education in fiscal year 2027:

3 (1) one School Construction Program Director;

4 (2) one Financial Manager I;

5 (3) one School Construction Coordinator; and

6 (4) one Architectural Design Reviewer or Educational Facility Planner.

7 (b) The sum of \$500,000.00 is appropriated from the General Fund to the  
8 Agency of Education in fiscal year 2027 for the positions established in  
9 subsection (a) of this section.

10 (c) The Secretary of Education shall include as part of the Agency’s budget  
11 submitted to the Governor pursuant to 16 V.S.A. § 212(21) for fiscal year 2028  
12 a request to provide appropriate funding levels for the positions created by this  
13 section, and any other positions necessary, to permanently staff the School  
14 Construction Division of the Agency.

15 (d) The School Construction Division shall provide comprehensive  
16 technical assistance to the Agency of Education and the State Aid for School  
17 Construction Advisory Board on the implementation of the State Aid for  
18 School Construction Program.

1 **Sec. 66a. FACILITIES MASTER PLAN GRANT PROGRAM:**

2 **APPROPRIATION**

3 **The sum of \$1,000,000.00 is transferred from the General Fund to the**  
4 **School Construction Aid Special Fund in fiscal year 2027 for the purpose of**  
5 **awarding grants through the Facilities Master Plan Grant Program established**  
6 **in section 16 V.S.A. § 3441 to supervisory unions for the development of**  
7 **educational facilities master plans as part of the study committee process**  
8 **created in Sec. 13 of this act.**

9 Sec. 67. AGENCY OF EDUCATION; STATE AID FOR SCHOOL

10 CONSTRUCTION; RULEMAKING

11 On or before **March 1, 2028**, the Agency of Education, in consultation with  
12 the State Aid for School Construction Advisory Board, shall adopt rules on  
13 school construction and capital outlay pursuant to 3 V.S.A. chapter 25 and 16  
14 V.S.A. § 3442(2), including rules to address prioritization and bonus incentives  
15 that **reward school districts for:**

16 (1) **consolidating** school governance structures, **whether through the**  
17 **study committee process under Sec. 13 of this act or by other voluntary means;**

18 (2) **improving** access for public school students to **excellent** educational  
19 opportunities, **including CTE, shared special education services for high needs**  
20 **students, and improved comprehensive curricular offerings;** and

21 (3) **remediating or eliminating health and safety issues.**

1       Sec. 68. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY  
2               BOARD; IDENTIFICATION OF REGIONAL HIGH SCHOOLS  
3               AND REHABILITATION OPPORTUNITIES; REPORT

4               (a) On or before December 1, 2026, the State Aid for School Construction  
5               Advisory Board shall provide a written report to the General Assembly that:

6                       (1) identifies three to five feasible opportunities for the construction or  
7               renovation of regional high schools to promote the consolidation of school  
8               governance structures and improve access for public school students to  
9               educational opportunities, including CTE, shared special education services for  
10              high needs students, and improved comprehensive curricular offerings; and

11                      (2) provides a preliminary siting study for each identified school  
12              construction project that includes the cost, location, and any other factor the  
13              Board deems relevant to the General Assembly’s consideration of the project.

14              (b) In developing the Board’s report, the Board shall specifically consider  
15              how to achieve appropriate scale, given research on school size and travel  
16              times, and how to achieve regional comprehensive high schools.

17       Sec. 68a. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM;

18               INTENT

19              It is the intent of the General Assembly to clarify that the State will not  
20              offer aid under the State Aid for School Construction Program under 16 V.S.A.  
21              chapter 123 until the General Assembly has received the Treasurer’s

1 recommendation under 16 V.S.A. § 3445(a)(6)(C) on total State bonding  
2 support and annual debt service subsidies to be awarded under the Program,  
3 the Agency of Education has operationalized its School Construction Division  
4 and completed rulemaking on school construction and capital outlay, and the  
5 General Assembly has committed to a stable funding source, which may be  
6 State bonding support, to support the Program.

7 Sec. 69. 16 V.S.A. § 3440 is amended to read:

8 § 3440. STATEMENT OF POLICY

9 (a) It is the intent of this chapter to encourage the efficient use of public  
10 funds to modernize school infrastructure in alignment with current educational  
11 needs. School construction projects supported by this chapter should be  
12 developed taking consideration of standards of quality for public schools under  
13 section 165 of this title and prioritizing cost, geographic accessibility, 21st  
14 century education facilities standards, statewide enrollment trends, and  
15 capacity and scale that support best educational practices. Further, it is the  
16 intent of this chapter to encourage the use of existing infrastructure to meet the  
17 needs of Vermont students. Joint construction projects between two or more  
18 school districts and consolidation of buildings within a district where feasible  
19 and educationally appropriate are encouraged.

20 (b) It is further the intent of this chapter to prioritize school construction  
21 projects that align with the creation of new school governance structures under

1 legislation enacted by the General Assembly in 2026 that requires each school  
2 board to participate in a study committee to study the advisability of forming a  
3 unified union school district. It is the intent of this chapter to leverage  
4 additional State bonding capacity to support the construction of these projects  
5 while the State identifies the total school construction need to be supported by  
6 State aid offered under this chapter.

7 Sec. 70. 16 V.S.A. § 3442 is amended to read:

8 § 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

9 The Agency of Education shall be responsible for implementing the State  
10 Aid for School Construction Program according to the provisions of this  
11 chapter. The Agency shall be responsible for:

12 \* \* \*

13 (2) adopting rules pursuant to 3 V.S.A. chapter 25 pertaining to school  
14 construction and capital outlay, including rules to specify a point prioritization  
15 methodology and a bonus incentive structure aligned with the legislative intent  
16 expressed in section 3440 of this title;

17 (3) including as part of its budget submitted to the Governor pursuant to  
18 subdivision 212(21) of this title its annual school construction funding request,  
19 including any projects contemplated under subsection 3440(b) of this chapter  
20 for funding through State bonding;

21 \* \* \*

1 Sec. 71. 16 V.S.A. § 3443 is amended to read:

2 § 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY

3 BOARD

4 \* \* \*

5 (e) Assistance. The Board shall have the administrative, technical, and  
6 legal assistance of the Agency of Education, the School Construction Division,  
7 and the School Construction Program Director.

8 \* \* \*

9 ~~(g) Report. On or before December 15, 2025, the Board shall submit a~~  
10 ~~written report to the House Committees on Education and on Ways and Means~~  
11 ~~and the Senate Committees on Education and on Finance on recommendations~~  
12 ~~for addressing the transfer of any debt obligations from current school districts~~  
13 ~~to future school districts as contemplated by Vermont's education~~  
14 ~~transformation. [Repealed.]~~

15 Sec. 72. 16 V.S.A. § 3445 is amended to read:

16 § 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION

17 PROJECTS

18 (a) Construction aid.

19 (1) Preliminary application for construction aid. A school district  
20 eligible for assistance under section 3447 of this title that intends to construct  
21 or purchase a new school, or make extensive additions or alterations to its

1 existing school, and desires to avail itself of State school construction aid shall  
2 submit a written preliminary application to the Secretary. A preliminary  
3 application shall include information required by the Agency by rule and shall  
4 specify the need for and purpose of the project.

5 (2) Approval of preliminary application.

6 (A) When reviewing a preliminary application for approval, the  
7 Secretary shall consider:

8 (i) regional educational opportunities and needs, including school  
9 building capacities across school district boundaries, and available  
10 infrastructure in neighboring communities;

11 (ii) economic efficiencies;

12 (iii) the suitability of an existing school building to continue to  
13 meet educational needs; and

14 (iv) statewide educational initiatives.

15 (B) The Secretary may approve a preliminary application if:

16 (i)(I) the project or part of the project fulfills a need occasioned  
17 by:

18 (aa) conditions that threaten the health or safety of students  
19 or employees;

20 (bb) facilities that are inadequate to provide programs  
21 required by State or federal law or regulation;

1 (cc) excessive energy use resulting from the design of a  
2 building or reliance on fossil fuels or electric space heat; or

3 (dd) deterioration of an existing building; or

4 (II) the project results in consolidation of two or more school  
5 buildings and will serve the educational needs of students in a more cost-  
6 effective and educationally appropriate manner as compared to individual  
7 projects constructed separately;

8 (ii) the need addressed by the project cannot reasonably be met by  
9 another means;

10 (iii) the proposed type, kind, quality, size, and estimated cost of  
11 the project are suitable for the proposed curriculum and meet all legal  
12 standards;

13 (iv) the applicant achieves the level of “proficiency” demonstrates  
14 proficiency in the school district quality standards regarding facilities  
15 management adopted by rule by the Agency; and

16 (v) the applicant has completed a facilities master planning  
17 process that:

18 (I) engages robust community involvement;

19 (II) considers regional solutions;

20 (III) evaluates environmental contaminants; and

1 (IV) produces a facilities master plan that unites the applicant’s  
2 vision statement, educational needs, enrollment projections, renovation needs,  
3 and construction projects; and

4 (vi) if the applicant school district is applying for construction aid  
5 for a school building that was constructed or renovated before 1980, the  
6 applicant has completed indoor air quality testing for polychlorinated  
7 biphenyls that was conducted according to the Department of Environmental  
8 Conservation’s standards for testing.

9 (3) Priorities. Following approval of a preliminary application and  
10 provided that the district has voted funds or authorized a bond for the total  
11 estimated cost of a project, the Agency, with the advice of the State Aid for  
12 School Construction Advisory Board, shall assign points to the project as  
13 prescribed by rule of the Agency so that the project can be placed on a priority  
14 list based on the number of points received.

15 (4) Request for legislative appropriation. The Agency shall submit its  
16 annual school construction funding request to the Governor as part of its  
17 budget pursuant to subdivision 212(21) of this title and shall clearly identify  
18 those projects contemplated under subsection 3440(b) of this chapter for  
19 funding through State bonding. Following submission of the Governor’s  
20 recommended budget to the General Assembly pursuant to 32 V.S.A. § 306  
21 and submission of the Governor’s recommended capital budget to the General

1 Assembly pursuant to 32 V.S.A. § 309, the House ~~Committee~~ Committees on  
2 Education and on Ways and Means and the Senate ~~Committee~~ Committees on  
3 Education and on Finance shall recommend a total school construction  
4 appropriation for the next fiscal year to the General Assembly for inclusion in  
5 the education payment under subsection 4011(a) of this title.

6 (5) Final approval for construction aid.

7 (A) Unless approved by the Secretary for good cause in advance of  
8 commencement of construction, a school district shall not begin construction  
9 before the Secretary approves a final application. A school district may submit  
10 a written final application to the Secretary at any time following approval of a  
11 preliminary application.

12 (B) The Secretary may approve a final application for a project  
13 provided that:

14 (i) the project has received preliminary approval;

15 (ii) the district has voted funds or authorized a bond for the total  
16 estimated cost of the project, provided that the district shall not issue the bond  
17 until the Secretary notifies the district of its State bonding support;

18 (iii) the district has made arrangements for project construction  
19 supervision by persons competent in the building trades;

20 (iv) the district has provided for construction financing of the  
21 project during a period prescribed by the Agency;

1 (v) the project has otherwise met the requirements of this chapter;

2 (vi) if the proposed project includes a playground, the project  
3 includes a requirement that the design and construction of playground  
4 equipment follow the guidelines set forth in the U.S. Consumer Product Safety  
5 Commission Handbook for Public Playground Safety; and

6 (vii) if the total estimated cost of the proposed project is less than  
7 \$50,000.00, no performance bond or irrevocable letter of credit shall be  
8 required.

9 (C) The Secretary may provide that a grant for a high school project  
10 is conditioned upon the agreement of the recipient to provide high school  
11 instruction for any high school pupil living in an area prescribed by the Agency  
12 who may elect to attend the school.

13 (D) A district may begin construction upon receipt of final approval.  
14 However, a district shall not be reimbursed for debt incurred due to borrowing  
15 of funds in anticipation of aid under this section.

16 (6) Award of construction aid.

17 (A) The base amount of an award shall be fund 20 **30** percent of the  
18 ~~eligible debt service~~ total approved cost of a project. Projects are eligible for  
19 additional bonus incentives as specified in rule ~~for~~ to fund up to an additional  
20 ~~20~~ 45 percent of the ~~eligible debt service~~ total approved cost.

1           (B) Construction aid shall be awarded as a debt service subsidy, as  
2           support through State bonding, or as a combination of both. Amounts shall be  
3           awarded annually **and** are subject to an annual appropriation for the purposes  
4           of the program.

5           ~~(B) As used in subdivision (A) of this subdivision (6), “eligible debt~~  
6           ~~service cost” of a project means the product of the lifetime cost of the bond~~  
7           ~~authorized for the project and the ratio of the approved cost of a project to the~~  
8           ~~total cost of the project.~~

9           (C) **Annually,** the Treasurer, in consultation with the Capital Debt  
10          Affordability Advisory Committee (CDAAC), shall recommend to the House  
11          Committees on Education, on Ways and Means, and on Corrections and  
12          Institutions and the Senate Committees on Education, on Finance, and on  
13          Institutions the annual total State bonding support available for the capital  
14          budget and this Program and the annual debt service subsidies to be awarded  
15          under this chapter. The recommendation shall include an analysis of how the  
16          use of State bonding support for school construction under this Program affects  
17          overall capital budget capacity.

18          (b) Emergency aid. Notwithstanding any other provision of this section,  
19          the Secretary may grant aid for a project the Secretary deems to be an  
20          emergency in the amount of 30 percent of eligible project costs, up to a  
21          maximum eligible total project cost of \$300,000.00.

1        (c) Wage requirements. Any contract awarded for school construction that  
2        is paid for with State aid shall adhere to the higher of:

3            (1) the prevailing wage requirements established for State construction  
4        projects under 29 V.S.A. § 161(b); or

5            (2) the prevailing local wage requirements as determined by the U.S.  
6        Department of Labor under the Davis-Bacon Act, 40 U.S.C. §§ 3141–3148,  
7        and related federal acts and regulations.

8        Sec. 73. REPEAL

9            16 V.S.A. § 3454 (deferred maintenance) is repealed.

10        Sec. 74. 16 V.S.A. § 4033 is added to read:

11        § 4033. LEGACY DEBT AID

12            (a) A school district shall be eligible to receive legacy debt aid pursuant to  
13        this section only if the district is not identified as a bad faith participant in the  
14        facilitator report submitted pursuant to Sec. 15 of legislation enacted by the  
15        General Assembly in 2026 that requires each school board to participate in a  
16        study committee to study the advisability of forming a unified union school  
17        district.

18            (b) An eligible school district's legacy debt aid shall equal 75 percent of  
19        the debt service cost of any debt that is approved by the voters of the district  
20        related to facility construction and renovation and for which construction has  
21        begun as of December 31, 2025.

1       (c) Aid shall be awarded annually for annual debt service costs up to a  
2       maximum total annual amount of \$45,750,000.00 and is subject to an annual  
3       appropriation for the purposes of the legacy debt aid.

4       Sec. 75. 16 V.S.A. § 4011(a) is amended to read:

5           (a) Annually, the General Assembly shall appropriate funds for an  
6       education payment to pay for statewide education spending ~~and~~, a portion of a  
7       base education amount for each adult education and secondary credential  
8       program student, and any other amounts the State is obligated to provide under  
9       this chapter or chapter 123 of this title.

10       Sec. 76. 16 V.S.A. § 4011(a) is amended to read:

11           (a) Annually, the General Assembly shall appropriate funds for an  
12       education payment to pay for each school district’s educational opportunity  
13       payment and supplemental district spending, as defined in 32 V.S.A. § 5401,  
14       the small schools and sparsity support grants under section 4019 of this  
15       chapter, ~~and~~ a portion of a categorical base amount for each adult education  
16       and secondary credential program student, and any other amounts the State is  
17       obligated to provide under this chapter or chapter 123 of this title.

18       Sec. 77. 32 V.S.A. § 5401(22) is amended to read:

19           (22) “Supplemental district spending” means the spending that the  
20       voters of a school district approve in excess of the school district’s educational  
21       opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year,

1 provided that the voters of a school district other than an interstate school  
2 district shall not approve spending in excess of five percent of the product of  
3 the base amount, as defined in 16 V.S.A. § 4001(16), and the school district’s  
4 long-term membership, as defined in 16 V.S.A. § 4001(7). The cap on  
5 supplemental district spending shall not apply to school construction  
6 expenditures.

7 **Sec. 77a. 24 V.S.A. § 1758 is amended to read:**

8 **§ 1758. CONDUCT OF MEETINGS**

9 (a) Meetings of voters in municipal corporations under this subchapter shall  
10 be conducted in the same manner as the annual city and town meetings are  
11 conducted. The qualifications of voters at such meetings shall be the same as  
12 the qualifications of voters at annual city and town meetings. The vote on the  
13 question of issuing bonds for such improvements shall be by Australian ballot.

14 The form of the ballot to be used shall be substantially as follows:

15 I. Shall the bonds of the ..... of ..... in an amount not to exceed .....  
16 be issued for the purpose of .....?

17 If in favor of the bond issue, make a cross (x) in this square .

18 If opposed to the bond issue, make a cross (x) in this square .

19 In the discretion of the legislative branch, the form of the ballot may also  
20 state the maximum rate of interest to be paid on the bonds, in which case the  
21 form of the ballot to be used shall be substantially as follows:

1 I. Shall bonds of the ..... of ..... in an amount not to exceed .....  
2 bearing interest not to exceed ..... percent, be issued for the purpose of  
3 .....

4 If in favor of the bond issue, make a cross (x) in this square .

5 If opposed to the bond issue, make a cross (x) in this square .

6 (b) If a school board submits to its voters the proposition of incurring a  
7 bonded debt to pay for an improvement, the form of the ballot shall be as set  
8 forth in subsection (a) of this section, however:

9 (1) If the entire costs of the improvement are not eligible for State  
10 construction aid pursuant to 16 V.S.A. chapter 123 because the costs exceed  
11 the maximum allowed by formula established by the State Board of Education  
12 Agency of Education, the ballot text set forth in subsection (a) shall be  
13 preceded by the following introductory sentences:

14 The ..... school board proposes to incur bonded indebtedness for the purpose  
15 of ..... at the estimated total project cost of \$ ..... . It is estimated that  
16 ..... percent of the project will not be eligible for State school construction aid  
17 because its (unit costs and/or allowable space) cause it to exceed the maximum  
18 cost for state participation under the State Board of Education's Agency of  
19 Education's formula for school construction. Therefore, the ..... percent of the  
20 project that is estimated to be ineligible under the formula shall be built at

1 100% school district cost without State participation. The cost of the portion  
2 of construction which is ineligible under the formula is \$ ..... .

3 (2) The ballot may contain language conditioning commencement of the  
4 improvement by the school board on receipt of final approval by the State  
5 Board of Education Agency of Education for State construction aid under 16  
6 V.S.A. § ~~3448(a)(5)~~ 3445(a)(5).

7 (3) The warning and ballot shall contain the following set forth in bold-  
8 faced type:

9 State funds may not be available at the time this project is otherwise  
10 eligible to receive State school construction aid. The district is responsible for  
11 all costs incurred in connection with any borrowing done in anticipation of  
12 State school construction aid.

13 Annual debt service costs on the bonds shall be raised through the  
14 district’s supplemental district spending tax. Any bonded indebtedness  
15 incurred for school construction shall constitute an ongoing obligation of the  
16 district not subject to annual authorization of supplemental district spending.

17 (c) A public informational hearing adhering to the requirements of 17  
18 V.S.A. § 2680(g) shall be held to discuss the proposition of a school district  
19 incurring a bonded debt to pay for an improvement. At such hearing, the  
20 school board shall distribute to the participants a written estimate of the  
21 following factors.

1           (1) ~~the~~ The percentage of the costs of the improvement that will not be  
2 eligible for State school construction aid because its unit costs or allowable  
3 space, or both, cause it to exceed the maximum cost for State participation  
4 under the ~~State Board of Education's~~ Agency of Education's formula for  
5 school construction.

6           (2)(A) The estimated supplemental district spending tax rate that would  
7 be required to pay annual debt service costs on the bonds for each of the  
8 following aid scenarios:

9                   (i) if the district receives no State aid for the project;

10                   (ii) if the district receives State aid of 30% of the total approved  
11 cost of the project; and

12                   (iii) if the district receives State aid of 75% of the total approved  
13 cost of the project.

14           (B) The board shall notify the participants of the following  
15 assumptions that shall be made when estimating annual supplemental district  
16 spending tax rates to pay annual debt service costs on the bonds:

17                   (i) supplemental district spending yield equal to the current yield;

18                   (ii) long-term membership equal to the district's current long-term  
19 membership; and

20                   (iii) supplemental district spending equal to the estimated annual  
21 debt service cost on the bond.



1 before a sum of money is voted on by the electorate. Any proposed budget  
2 shall show the following information in a format prescribed by the Secretary:

3 (i) all revenues from all sources, and expenses, including as  
4 separate items any assessment for a supervisory union of which it is a member  
5 and any tuition to be paid to a career technical center; and including the report  
6 required in subdivision 242(4)(D) of this title itemizing the component costs of  
7 the supervisory union assessment;

8 (ii) the specific amount of any deficit incurred in the most recently  
9 closed fiscal year and how the deficit was or will be remedied;

10 (iii) the anticipated ~~homestead~~ statewide education tax rate and the  
11 percentage of household income used to determine income sensitivity in the  
12 district as a result of passage of the budget, including those portions of the tax  
13 rate attributable to supervisory union assessments, as adjusted for each tax  
14 classification pursuant to 32 V.S.A. § 5402; and

15 (iv) the definition of “~~education spending~~ supplemental district  
16 spending,” the number of pupils and number of equalized pupils in long-term  
17 membership of the school district, and the district’s ~~education spending~~ per  
18 equalized pupil supplemental district spending in the proposed budget and in  
19 each of the prior three years;

20 (v) the supplemental district spending yield; and

1                    (vi) the annual debt service cost of any outstanding capital  
2                    indebtedness.

3                    (D) The **If the board determines that the district should raise funds to**  
4                    **cover expenditures other than annual debt service obligations on outstanding**  
5                    **capital indebtedness for school construction, the** board shall present ~~the~~ a  
6                    supplemental district spending budget to the voters by means of a ballot in the  
7                    following form:

8                    “Article #1 (School Budget):

9                    Shall the voters of the school district approve the school board  
10                  to expend \$ \_\_\_\_\_ for expenditures other than annual debt service obligations  
11                  on any outstanding capital indebtedness, which is the amount the school board  
12                  has determined to be necessary in excess of the school district’s educational  
13                  opportunity payment for the ensuing fiscal year?

14                  The \_\_\_\_\_ District estimates that this proposed budget, if  
15                  approved, will result in per pupil ~~education~~ supplemental district spending of  
16                  \$ \_\_\_\_\_, which is \_\_\_\_\_% higher/lower than per pupil ~~education~~  
17                  supplemental district spending for the current year, and a supplemental district  
18                  spending tax rate of \_\_\_\_\_ per \$100.00 of equalized education property  
19                  value.”

20                                    **If these expenditures are not approved, the District estimates**  
21                                    **a supplemental district spending tax rate of \_\_\_\_\_ per \$100.00 of equalized**

1 education property value to pay for the District’s annual debt service  
2 obligations on outstanding capital indebtedness.”

3 (E) If the board receives a determination of the district’s State aid for  
4 school construction pursuant to 16 V.S.A. § 3445(a)(5), prior to issuing any  
5 bonds for school construction, the board shall present to the voters for one-time  
6 authorization a supplemental district spending budget to cover the annual debt  
7 service obligations for school construction by means of a ballot in the  
8 following form:

9 “Article #1 (School Budget):

10 Shall the voters of the school district approve the school  
11 board to expend \$ \_\_\_\_\_, which is the amount the school board has  
12 determined to be necessary to cover the annual debt service obligations on  
13 school construction for the ensuing fiscal year?

14 The \_\_\_\_\_ District estimates that this proposed budget, if  
15 approved, will result in per pupil supplemental district spending of \$ \_\_\_\_\_,  
16 which is \_\_\_\_\_ % higher/lower than per pupil supplemental district spending  
17 for the current year, and a supplemental district spending tax rate of \_\_\_\_\_  
18 per \$100.00 of equalized education property value.

19 If the District separately approves supplemental district  
20 spending for the ensuing fiscal year to cover expenditures other than the annual  
21 debt service obligations on school construction, the total supplemental district

1 spending tax rate provided in the ballot for approval of those expenditures shall  
2 reflect the rate required to cover all expenditures, including the annual debt  
3 service obligations on school construction.

4 \* \* \*

5 \* \* \* Foundation Formula Transition Measures and Reports\* \* \*

6 Sec. 79. REPEALS

7 The following sections of 2025 Acts and Resolves No. 73 are repealed:

8 (1) Sec. 41 (16 V.S.A. § 563);

9 (2) Sec. 45b (educational opportunity payment transition);

10 (3) Sec. 46a (supplemental district spending; cap; transition);

11 (4) Sec. 48a (tax rate transition); and

12 (5) Sec. 57 (Education Fund Advisory Committee).

13 \* \* \* Effective Dates \* \* \*

14 Sec. 86. EFFECTIVE DATES

15 This act shall take effect on July 1, 2026, except as follows:

16 (1) Sec. 30 (creation of regional assessment districts), Secs. 31–33  
17 (conforming changes for regional assessment), Sec. 34(b) (repeal of 32 V.S.A.  
18 chapter 131), and Secs. 37–52 (conforming changes for repeal of 32 V.S.A.  
19 chapter 131) shall take effect on January 1, 2031, provided regional assessment  
20 district appeals boards shall commence jurisdiction over valuation appeals and  
21 notices of changes of valuation on July 1, 2031.

1           (2) This section, Sec. 18 (Act 73 effective dates), Sec. 27a (rulemaking;  
2           reserve guidance), Sec. 27c (student profile form), Sec. 34(a) (repeal of 2025  
3           Acts and Resolves No. 73, Secs. 62 and 63), Sec. 53 (transition provisions),  
4           Sec. 56 (valuing property in a limited equity cooperative), Sec. 61 (repeals),  
5           Sec. 62 (rate multipliers), Sec. 63 (prospective repeal), Sec. 79 (transition  
6           repeals), Sec. 83 (tax rate transition report), Sec. 84 (homestead exemption  
7           structure report delay), and Sec. 85 (Education Fund Advisory Committee)  
8           shall take effect on passage.

9           (3) Sec. 54 (regional assessment district boundaries) shall take effect  
10           and the boundary submission to the General Assembly shall be due on  
11           December 15, 2029, provided that the conditions under 2025 Acts and  
12           Resolves No. 73, Sec. 70(f)(1)(A), as amended by this act, have been met.

13           (4) Sec. 24 (16 V.S.A. § 828), Sec. 29 (16 V.S.A. § 4019), Secs. 58 and  
14           59 (tax classifications), Sec. 64 (homestead definition), Sec. 74 (legacy debt  
15           aid), Sec. 76 (education payments), Sec. 77 (supplemental district spending  
16           definition), Sec. 77a (school district incurrence of indebtedness), Sec. 78  
17           (supplemental district spending budget vote), and Secs. 80–82 (foundation  
18           formula transitions) shall take effect on July 1, 2030, provided that the  
19           conditions under 2025 Acts and Resolves No. 73, Sec. 70(f)(1), as amended by  
20           this act, have been met.

1           (5) Sec. 60 (transition provisions) shall take effect on January 1, 2029,  
2           provided that the conditions under 2025 Acts and Resolves No. 73, Sec.  
3           70(f)(1)(A), (B), and (C), as amended by this act, have been met.

4           (6) Sec. 57 (grand list contents) shall take effect on July 1, 2027, and  
5           shall apply to grand lists lodged beginning in calendar year 2028.